

BILL # SB 1082

TITLE: aircraft license tax; buyer's possession

SPONSOR: Bee

STATUS: As Introduced

REQUESTED BY: Senate

PREPARED BY: Tim Everill

| | FISCAL YEAR | | |
|---------------------|--------------------|-------------|-------------|
| | 2003 | 2004 | 2005 |
| REVENUES | | | |
| State Aviation Fund | \$-0- | \$-0- | \$-0- |

FISCAL ANALYSIS

Description

This bill would require that the initial aircraft license tax on an aircraft be imposed when a person buys and takes possession of the aircraft in a private transaction. A private transaction is defined as the purchase of an aircraft from a person other than an aircraft dealer.

Estimated Impact

This bill would have no fiscal impact on the State Aviation Fund, as it serves to clarify current procedures. The Aeronautics Division of the Arizona Department of Transportation concurs.

Analysis

All aircraft in the state are required to be registered except passenger aircraft operated by an airline company and private aircraft owned by a nonresident who bases the aircraft in the state for ninety days or less. An annual license fee is imposed on all aircraft registered in the state. Aircraft license fee revenues are deposited into the State Aviation Fund.

This bill is in response to an individual who purchased an aircraft owned by a private out-of-state party. The aircraft had been physically located in the state for a period of time, and when it was purchased, the individual filed the registration paperwork incorrectly, and was charged aircraft license tax for the period between when the aircraft was brought into the state, and the purchase date. The Aeronautics Division of the Arizona Department of Transportation indicates that the error was corrected, and the individual was offered a refund of the overpayment of the aircraft license tax.

The provision of this bill clarifies that the initial aircraft license tax on an aircraft which is purchased from a private party is due when the buyer takes actual possession of the aircraft. If an aircraft is purchased from a private party who is a resident of the state, it is assumed that the initial aircraft license tax was paid when the original owner first registered the aircraft in the state. The clarification contained in this bill is intended to apply to aircraft brought into Arizona from out of state, and purchased by an Arizona resident. As noted above, under current statute an aircraft owned by a non-resident which is based in the state for less than ninety days is not required to be registered, and therefore no aircraft license tax is imposed on the aircraft. The intent of this bill is to clarify that the initial aircraft license tax on an aircraft which was not previously registered in the state is due when the purchaser actually takes possession of the aircraft.

Local Government Impact

None.

2/20/03